



Directors Nomination, Appointment, Assessment and Removal Policy

Local Government Super

October 2020
Version 3

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1. Purpose

This Policy has been approved by the Trustee and, where relevant, the Shareholders in order to give effect to, and ensure that the composition of the Board is and remains appropriate for LGS. This Policy requires that the nomination and appointment of directors is made having regard to the need for the Board to have an appropriate complement of relevant skills and experience, by identifying and considering current and optimal overall Board composition.

This document sets out the procedures and performance criteria adopted by the directors and, where required, the Shareholders of the Trustee.

This document may be amended by separate resolutions of the directors and shareholders of the Trustee in accordance with the Constitution.

2. Definitions

Unless stated otherwise, capitalised words in this document have the same meaning as in the Constitution.

APRA	Means the Australian Prudential Regulatory Authority
APRA Standards	Means the APRA prudential standards
Board	Means the board of Directors of the Trustee
Board Assessment	Means an assessment of the performance of the Board undertaken on an annual basis.
Chair Profile	Means a Director Profile prepared for a vacancy of the Chair of the Board and which is supplemented to include: (a) leadership skills (at chief executive and board level); (b) chairing experience; (c) financial services industry contacts; (d) financial services industry experience; (e) regulator negotiation skills and experience; and (f) any other matters the Board considers relevant to the suitability of potential candidates to fill the position of the Chair of the Board.
Committee	Means a committee established by the Board.
Constitution	Means the constitution of LGSS Pty Limited
Director Performance Criteria	Means the director performance criteria as found as clause 7.
Director Performance Procedures	Means the director performance procedures as found in Annexure E.

Director Profile	<p>Means a document prepared by the Board which considers the relevant vacancy together with:</p> <ul style="list-style-type: none"> (a) the Skills Matrix; (b) eligibility criteria for directors as required under the Constitution; (c) the current composition of the Board; (d) any skills gaps that may arise due to the vacancy; (e) the skills, qualifications and relevant experience required and/or preferred of potential candidates to fill the vacancy; (f) any LGS policies relating to diversity on the Board; (g) the Trustee's fit and proper policy; (h) any legislative or regulatory requirements; and (i) any other matters the Board considers relevant to the suitability of potential candidates to fill the vacancy, <p>and provides recommendations as to the relevant qualifications, experience, skills, competencies and other relevant requirements of a preferred candidate</p>
Directors Agreement	Means a written agreement between the Fund and a director setting out the terms of the directors' appointment.
Fund	Means the superannuation fund known as Local Government Super (ABN 28 901 371 321) governed by a trust deed dated 30 June 1997.
GRN Committee	Means the LGS Governance, Remuneration and Nomination Committee established by the Board.
KPI	Means Key Performance Indicator.
LGS	Means the Fund.
LGSS	Means LGSS Pty Limited ACN 078 003 497
Performance Criteria	Means the criteria found as Clause 4 to this document.
Responsible Person Position	Has the meaning given to that term in the LGS Fit and Proper Policy.
SIS Act	Means the <i>Superannuation Industry (Supervision) Act 1993</i> , as amended from time to time.
Skills Matrix	Means a matrix developed by the Board which documents the ideal overall skills, knowledge, competencies and

experience of directors and which is reviewed on an annual basis, and which is found as Annexure G.

SPG 510

Means the APRA Prudential Practice Guide SPG 510 *Governance*.

Trustee

Means LGSS Pty Limited as trustee of the Fund.

3. Skills Matrix

- (a) The ongoing success of LGS relies upon the engagement, expertise and capabilities of its Board to provide oversight, support and guidance to the CEO and management of the Fund.
- (b) To ensure strong decision-making processes that support the best possible outcomes for LGS members, Directors are required to have and demonstrate suitable skills, experience and attributes to fulfil their roles on the Board and relevant Board committees.
- (c) In order to assess the overall skills, knowledge and experience of Directors, a Skills Matrix has been developed to document and match the required skills. In developing the Skills Matrix, the Trustee undertook an analysis of the attributes required for an effective Board having regard to:
 - (i) the requirements of the Constitution, the SIS Act and the APRA Standards;
 - (ii) LGS' current and future strategy and business operations;
 - (iii) the optimal size of the Board;
 - (iv) the proper management of conflicts of interest;
 - (v) the necessity for diversity;
 - (vi) the desired mix of skills, experience, attributes and characteristics of Directors that are relevant to LGS;
 - (vii) the number and nature of other directorships that are manageable;
 - (viii) succession planning on the Board; and
 - (ix) any other matters the Board considers relevant to the effective functioning of the Board.
- (d) The Skills Matrix enables the Trustee to annually assess whether it satisfies, as a whole, its knowledge requirements. Skill requirements will change over time. Training plans will be identified, agreed and undertaken to ensure that new skills are attained in a reasonable timeframe.
- (e) The nomination and selection of new Directors is undertaken having regard to the Skills Matrix, so as to ensure that an appropriate candidate is pursued.
- (f) The Board will review the Skills Matrix annually or more frequently as required.

4. Diversity and Inclusion

- (a) The Trustee has developed and adopted a Diversity and Inclusion Policy. Under the terms of this policy, the LGS GRN Committee is charged with defining and monitoring LGS' diversity measures.

- (b) The Trustee will have regard to the Diversity and Inclusion Policy, and where relevant, will communicate any diversity goals and/or measures to Shareholders.

5. Nomination and/or Selection of Directors

5.1 General

- (a) The GRN Committee is tasked with assisting the Board with the nomination, appointment, re-appointment, assessment and removal process for Directors and is responsible for the management and oversight of the requirements of this Policy and its underlying procedures.
- (b) The requirements and governance of the number, nature, appointment, re-appointment, retirement, term and removal of Directors for LGS is contained in clause 13 of the Constitution and reflected in the Board Charter and Governance Policy. This Policy has been designed to complement and not inhibit the requirements as contained within the Constitution.
- (c) The Constitution, at clause 13.2, notes that procedures for the nomination of Employer and Member Directors may be adopted by resolutions of the Board and the Shareholders, while procedures for the nomination of Independent Directors, may be adopted by a resolution of the Board. In order to ensure compliance with the requirements of the Constitution, these procedures have been documented as separate procedures and appropriate approvals have been obtained. A flowchart illustrating the nomination procedures, together with the appointment procedures, has been formulated and can be found as Annexure A.
- (d) The Trustee may, from time to time, develop or amend more detailed policies and procedures for the nomination and appointment of directors to the Board that are consistent with the key features set out above and publish those policies and procedures as required by legislation.

5.2 Director vacancy

- (a) A Board vacancy can arise in a number of ways, including:
 - (i) where a Director has completed the term of their appointment;
 - (ii) a change in the Constitution requiring a change to the number and/or composition of the Board;
 - (iii) where a Director retires; or
 - (iv) where a Director is removed from their position as a Director under the terms of the Constitution, the SIS Act or the Corporations Act.
- (b) Where a Board vacancy has arisen due to a current Director completing their term of appointment, the Board will consider whether or not the reappointment of that Director is appropriate having regard to clause 6.1 below.
- (c) Where a Board vacancy has arisen due to any other event, then the Board and/or Shareholders, as appropriate will implement the Employer and Member Director Nomination Procedure (clause 5.3) or the Independent Director Selection Procedure (clause 5.4) below.

5.3 Employer and Member Director Nomination Procedure

Clause 13.2 of the Constitution states that the Nomination procedures for Employer Directors and Member Directors may be adopted by separate resolutions of the Board and Shareholders. In considering the requirements of LGS, the Shareholders have adopted the Employer and Member Director Nomination Procedure, found as Annexure B, for nominating candidates to fill Employer Director or Member Director vacancies on the Board.

5.4 Independent Director Selection Procedure

- (d) The Constitution has adopted the definition of an Independent Director in accordance with the SIS Act and requires that the Board comprises of an equal number of Employer Directors, Member Directors and Independent Directors. In addition, the Constitution requires that the office of the Chair must only be held by an Independent Director.
- (e) Clause 13.2 of the Constitution states that the nomination procedures for Independent Directors may be adopted by a resolution of the Board. In considering the requirements of LGS, the Board has adopted the Independent Director Selection Procedure found as Annexure C.

6. Director Appointment Procedures

6.1 Director Reappointment

- (a) At the end of a Director's term of appointment, the Board may determine to support the reappointment of a Director for a further term if the:
 - (i) reappointment complies with the requirements of the constitution and the relevant laws;
 - (ii) reappointment complies with any applicable LGS policy or procedure;
 - (iii) Director alone possesses skills, knowledge, competencies or experience as documented within the Skills Matrix, and the removal of the Director would cause gaps within the Skills Matrix;
 - (iv) Director is an Employer or Member nominated Director, the relevant Shareholder considers the re-appointment appropriate having regard to the relevant Director Profile and provides notice of the re-appointment in writing to the Board prior to the expiry of the Directors current term;
 - (v) Director is an Independent Director, the Director continues to satisfy the definition of an Independent Director and the Board considers the reappointment appropriate having regard to the relevant Director Profile;
 - (vi) Board considers that the reappointment of the Director would assist the Fund in maintaining its corporate knowledge;
 - (vii) Board considers the reappointment to be in the best interests of the Fund, taking into consideration the Directors past contributions and any current projects that the Director is leading and/or participating in; and
 - (viii) Re-appointment of the Director would comply with the requirements of this clause 5 generally.
- (b) Following the consideration of the matters listed in clause 6.1, where the reappointment relates to an:

- (i) Employer or Member Director, the Board will notify the Shareholder of the:
 - (A) Boards support for the reappointment of the Director; or
 - (B) Board vacancy and the requirement for the Employer and Member Director Nomination Procedure to commence.
- (ii) Independent Director, the Board will either:
 - (A) support the reappointment of the Independent Director; or
 - (B) commence the Independent Director Selection Procedure.

6.2 Director Appointment

Following the completion of the relevant nomination or selection procedures documented in clauses 5.3 and 5.4 above, the trustee will undertake the due diligence and appointment process as documented in the Director Appointment Procedures found as Annexure D.

7. Director Performance Criteria

7.1 Directors Performance Criteria

Directors are required to enter into a Directors Agreement with LGS that sets out the minimum Performance Criteria required of Directors. The required Performance Criteria are:

- (a) that a director possesses the competence, character, diligence, experience, honesty, integrity and judgment to perform the duties of the Responsible Person Position;
- (b) attending all LGS Board meetings and strategic or business planning sessions;
- (c) attending all relevant Committee meetings;
- (d) representing LGS as and when requested;
- (e) complying with the relevant LGS policies as amended, from time to time;
- (f) adhering to the LGS Directors Code of Conduct;
- (g) avoiding conflicts of interest, and maintaining transparency with declaring and managing any conflicts of interest that may arise;
- (h) retaining discretion (i.e. not placing oneself in a position where you are unable to make decisions in the best interests of LGS members);
- (i) achieving, and maintaining Fit and Proper status in accordance with the LGS Fit and Proper Policy and relevant law;
- (j) undertaking the required training pertaining to their role as set out in the Fit and Proper Policy;
- (k) participating in and meeting the standards required through the annual Board Assessment;
- (l) continuing to meet the eligibility criteria that applied to them on appointment as a director (including, if required, the definition of Independent Director);
- (m) complying with all applicable laws and regulations;
- (n) meeting annual KPI's which will be assessed on a bi-annual basis; and
- (o) any other performance criteria adopted by the Board and the shareholders from time to time by separate resolutions in accordance with the Constitution.

The following KPIs, as approved by the GRN Committee, form part of the Directors Agreement and are required to be met annually.

	Requirement	%
I.	Board meeting attendance Being prepared for, attending and contributing to all scheduled Board meetings	75% achievement

2.	Committee meeting attendance Being prepared for, attending and contributing to all scheduled Committee meetings.	75% achievement
3.	Training Meeting all ongoing training requirements in accordance with the Annexure F of the Director Nomination, Appointment, Assessment and Removal Policy. .	100% achievement
4.	Board Assessment Meeting the standards required through the annual Board Assessment.	100% achievement
5.	Fit and Proper Being, and remaining, Fit and Proper, as defined under the LGS Fit and Proper Policy and the law, at all times.	100% achievement

7.2 Independent Directors Performance Criteria

Independent Directors are subject to the same requirements that apply to Employer and Member Directors as documented in clause 7.1 above and, in addition, are required to maintain compliance with the requirements of an Independent Director at all times.

7.3 Chair Performance Criteria

- (a) In addition to the Directors Performance Criteria found in clause 7.1, the following criteria will also apply to the Chair, namely:
- (i) demonstrating effectiveness as a mentor to the Chief Executive Officer (CEO) of the Trustee;
 - (ii) demonstrating effectiveness in instilling the LGS values and culture across the organisation;
 - (iii) demonstrating ability to act objectively in providing leadership and consultation to the Board;
 - (iv) demonstrating ability to facilitate co-operation and trust between the Board and the LGS executive team;
 - (v) demonstrating ability to provide leadership and vision to the Trustee and the Fund;
 - (vi) demonstrating effectiveness in guiding the ongoing development of the Board as a whole and individual Directors;
 - (vii) demonstrating ability to communicate the views of the Board on matters of strategy and policy to the LGS executive team;
 - (viii) demonstrating ability to encourage, counsel and support Board members in the discharge of their duties;
 - (ix) demonstrating effectiveness in encouraging cohesion and leading discussions at Board meetings; and
 - (x) demonstrating effectiveness in directing Board discussions so there is an effective use of time and material issues are addressed.
- (b) A questionnaire to assist directors to evaluate the performance of the Chair is provided at Annexure I - Chair Performance Evaluation questionnaire.
- (c) Each director should complete the questionnaire and return it to the LGS Company Secretary who will produce an analysis report for the GRN Committee and the Board to consider at a subsequent meeting.

- (d) The Board will consider the reported outcomes following consideration and recommendation by the GRN Committee (the Board Chair will not participate in the discussions and will absent themselves from the meeting)
- (e) Any required actions will be agreed by the Board and reported to the Chair by the Deputy Chair(s).
- (f) The review will provide valuable information for continuous improvement in the Chair's, the board's and directors' overall performance.

8. Director Performance Procedures

8.1 Introduction

In accordance with the Constitution, the LGS Fit and Proper Policy and the Directors Agreement, a Director Performance Procedure has been developed and applies to the ongoing assessment of the performance of individual Directors against the Directors' Performance Criteria.

8.2 Employer and Member Director Performance Procedures

- (a) The performance of all Employer and Member Directors is to be assessed annually against the Performance Criteria in line with the procedure set out in Annexure E.
- (b) The Director Performance Procedure applies in addition to the annual assessment of the Board as a collective governing body and the annual fit and proper assessments required by the Fit and Proper Policy.
- (c) The Board may utilise director performance assessment tools to undertake the annual and bi-annual assessments which form part of the annual fit and proper process. An example of a performance assessment tool, a Director Performance Assessment guidance document, is provided at Annexure H.

8.3 Independent Director Performance Procedures

The performance of all Independent Directors will be assessed annually against the Performance Criteria in line with the procedure set out in Annexure E, save for the following amendments:

- (a) **underperformance:** Annexure E, paragraph (b)(iv). Any identified underperformance of an Independent Director will not be communicated to any Shareholder, however, such underperformance will be reported to the balance of the Board;
- (b) **escalation process:** Annexure E, paragraph (d). Where an adverse finding in relation to an Independent Director is escalated, this adverse finding and/or escalation will not be provided to or reported to any Shareholder; and
- (c) **Assessment of the Chair:** The annual assessment of the Chair will be undertaken by the Board with the assistance of the LGS Governance Team or any outsourced service provider. The Board will meet with the Chair on an annual basis to discuss the matters set out in clause 7.3 in relation to the Chair.

9. Removal from office

Directors may retire or be removed from office in accordance with clauses 13.15, 13.19 and 13.20 of the Constitution.

10. Director Training Requirements

Directors are required to undertake initial, and ongoing, training which is appropriate for their continued professional development and which will contribute to the collective skills and experience required of the Board. The requirements for director training can be found as Annexure F.

11. Dispute Resolution

- (a) Where a dispute arises in relation to the nomination, appointment, re-appointment or removal of a Director that cannot be determined in reference to any LGS policy or procedure or the Constitution, the matter will in the first instance be referred to the Chair and the Deputy Chair(s) for consideration.
- (b) The Chair and Deputy Chair(s) will meet and make such inquiries as necessary and, having regard to members' best interests, the rights of the Shareholders in the Constitution and any other matter that they consider to be relevant, and recommend to the Board an appropriate course of action to resolve the matter.
- (c) The Chair and Deputy Chair(s) will make that recommendation within a reasonable time having regard to the subject matter of the dispute (but in any event within 14 business days or such longer period as the Board agrees).
- (d) Where:
 - (i) the Chair and Deputy Chair(s) are not able to reach agreement on the recommendation to be made under paragraph (c) above within the specified timeframe;
 - (ii) the subject of the dispute is the Chair or a Deputy Chair;
 - (iii) one or more of the Chair or Deputy Chair(s) is conflicted in the matter; or
 - (iv) the Chair and Deputy Chair(s) otherwise consider that the matter would be best considered by the GRN Committee;

then the Chair and Deputy Chair(s) will refer the dispute to the GRN Committee for consideration. The GRN Committee will, within a timeframe specified by the Chair and Deputy Chair(s), recommend to the Board an appropriate course of action. The GRN Committee will meet and make such inquiries as necessary and have regard to members' best interests, the rights of the Shareholders in the Constitution and any other matter that they consider to be relevant.

- (e) All parties, including but not limited to the Board, each Director and the Shareholders, must respond expeditiously to, and at all times behave reasonably and responsibly in relation to, any matters put to them by the Chair and Deputy Chair(s) or the GRN Committee in carrying out these dispute resolution procedures.

- (f) None of the Board, the Chair, the Deputy Chair(s) or the GRN Committee can override the terms of the Constitution, including the rights of the Shareholders expressed within it.

12. Policy Information

Internal references LGSS Constitution
Fit and Proper Policy
Risk Management Framework
Whistleblowing Policy
Director's Agreement
Board Committee Terms of Reference

External references *Superannuation Industry (Supervision) Act 1993 (Cth)*
Superannuation Industry (Supervision) Regulations 1994 (Cth)
APRA Prudential Standard SPS 520 *Fit and Proper*
APRA Prudential Guide SPG 520 *Fit and Proper*

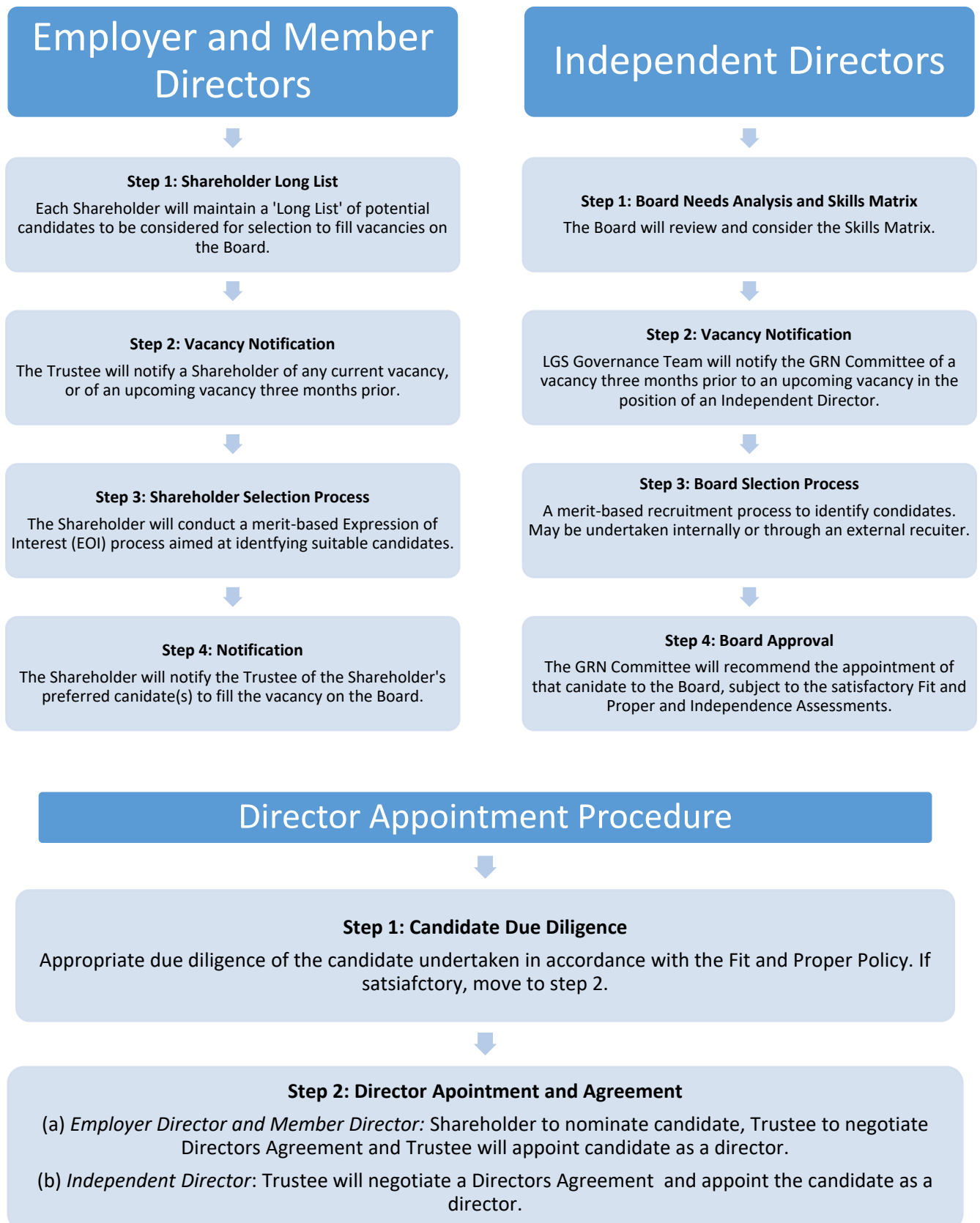
Effective date [Insert]

Review At least every 2 years or sooner were required by legislative changes

Authorisation This policy is authorised as follows:

Authorised by	Board of Directors
Date authorised	[Insert]
Version no	V24
Review date	[Insert]

13. Annexure A – Flowchart



14. Annexure B – Employer and Member Director Nomination Procedure

In accordance with the requirements of the Constitution, this procedure was approved by the Shareholders on 21 August 2020.

Step 1: Shareholder Long List:

- (a) Each Shareholder will endeavour to maintain a “Long List” of potential candidates to be considered for selection to fill vacancies on the Board as their nominee directors.
- (b) The Long List is intended to identify candidates from a broad talent pool who can fill the identified skills gaps on the Board having regard to the Skills Matrix and any LGS policies relating to diversity on the Board;

Step 2: Vacancy Notification:

- (c) The Trustee will notify a Shareholder of any current vacancy or three months prior to an upcoming vacancy in the position of their nominee directors. The Trustee must notify the Shareholder of:
 - (i) the reason for the vacancy (e.g. resignation, removal, maximum tenure etc);
 - (ii) where the vacancy has arisen due to a current Director completing their appointed term, the Board will confirm to the Shareholder that the Board has considered whether the reappointment of the Director is appropriate, having regard to its policies and procedures, and notify the Shareholder of the outcome of that assessment;
 - (iii) the reason why the vacancy has been directed to the Shareholder to be filled;
 - (iv) the required Director Profile; and
 - (v) the legislative or regulatory timeframes within which the vacancy must be filled.

Step 3: Shareholder Selection Process:

- (d) Following the above notification by the Trustee, the Shareholder will conduct a merit based Expression of Interest (EOI) process aimed at identifying suitable candidates, forming the preferred shareholder short list.
- (e) The preferred shareholder short list will be forwarded to the Trustee for evaluation by the LGS Governance team on behalf of the GRN committee. All applications submitted during the EOI process shall be evaluated against the Director Profile and a report prepared for the Shareholder’s consideration.
- (f) The candidates identified as most suitable will be interviewed by a panel including a Shareholder representative(s) and the Chair of the LGS Board (or nominee). The preferred candidate(s) will be forwarded to the Shareholder for their final consideration.

Step 4: Notification:

- (g) The Shareholder will notify the Trustee of the Shareholder’s preferred candidate(s) to fill the vacancy on the Board.

15. Annexure C – Independent Director Selection Procedure

Step 1: Board Needs Analysis and Skills Matrix:

- (a) The Board will review and consider the Skills Matrix found as Annexure G.

Step 2: Vacancy Notification:

- (b) Where possible, the LGS Governance Team will notify the GRN Committee of a vacancy three months prior to an upcoming vacancy in the position of an Independent Director.
- (c) The GRN Committee must notify the Board of the:
 - (i) reason for the vacancy (e.g. resignation, removal, maximum tenure etc);
 - (ii) reason why the vacancy has been directed to the Board to be filled;
 - (iii) required Director Profile or Chair Profile as appropriate; and
 - (iv) legislative or regulatory timeframes within which the vacancy must be filled.

Step 3: Board Selection Process:

- (d) Once notified of a vacancy, the Board, or its delegate, will commence a merit based recruitment process to identify suitable candidates for appointment to the vacant position having regard to the Director Profile and if required the Chair Profile.
- (e) The process may be undertaken internally or outsourced to an external executive recruiter and involve a combination of the following:
 - (i) an EOI;
 - (ii) advertising campaign; or
 - (iii) talent quality identification through a market search process.
- (f) All applications submitted during the recruitment process shall be provided to and evaluated by the governance team on behalf of the GRN against the Director Profile, and if applicable, the Chair Profile. A report will be prepared for the Board's consideration.
- (g) The candidates identified as most suitable will be interviewed by the Board, or its delegate, to determine the most suitable and preferred candidate to fill the vacancy on the Board.

Step 4: Board Approval:

- (h) Once a suitable candidate has been identified, the GRN Committee will recommend the appointment of that candidate to the Board, subject to satisfactory Fit and Proper and Independence Assessments to be undertaken in accordance with the Fit and Proper Policy.

16. Annexure D – Director Appointment Procedure

Step 1: Candidate due diligence assessment:

- (a) Following notification from the nominating shareholder (Annexure B) or the completion of the Independent Director Selection Process (Annexure C), the Board, or its delegate, will undertake appropriate due diligence on the candidate(s) in accordance with the Fit and Proper Policy. Due diligence will, in relation to a:
 - (i) *Employer Director or Member Director*: consist of a Fit and Proper Assessment and review of the candidate as against the relevant Director Profile; or
 - (ii) *Independent Director*: consist of a Fit and Proper Assessment and an Independence Assessment.
- (b) *Employer Director and Member Director*: Where the due diligence assessment of a shareholder nominated candidate is unable to be satisfactorily completed, or concerns are identified by the Trustee, these issues are to be raised with the nominating shareholder. The nominating shareholder may determine to revoke its nomination.
- (c) *Independent Director*: Should a candidate for the position of an Independent Director not be able to satisfy the Fit and Proper and/or Independence assessment as required by the Fit and Proper Policy, then the Board is unable to proceed with the appointment of that candidate.

Step 2: Director Appointment and Agreement:

- (d) *Employer Director or Member Director*: Once the Employer and Member Director Nomination Process and due diligence requirements have been satisfied the:
 - (i) Shareholder will then nominate the successful candidate to the Board for appointment;
 - (ii) Trustee will negotiate a Directors' Agreement with the successful candidate; and
 - (iii) Trustee will appoint the nominated candidate as an Employer or Member nominated director, as appropriate, to fill the vacancy of the Board,having regard, at all times, to the Trustee's requirements, the Fit and Proper Policy and the Constitution
- (e) *Independent Director*: Following the satisfactory completion of the candidates due diligence assessment, the Trustee will negotiate a Directors' Agreement with the candidate, following which the Board may appoint the candidate as a director to fill the vacancy on the Board in accordance with the Constitution of the Trustee.

Step 3: LGS policies and procedures:

- (f) The Trustee may, from time to time, develop or amend more detailed policies and procedures for the nomination and appointment of directors to the Board that are consistent with the key features set out above and publish those policies and procedures as required by legislation.

17. Annexure E – Employer and Member Director Performance Procedures

In accordance with the requirements of the Constitution, this procedure was approved by the Shareholders on [insert].

- (a) **Annual Assessment:** The performance of Directors will be assessed annually against the Performance Criteria. This annual assessment will be undertaken by the Chair and Deputy Chair(s), or as delegated by the Board, with the assistance of the LGS Governance Team or any outsourced service provider. A Director Performance Assessment guidance document may be developed by the Board and utilised in the assessment process to ensure consistency.
- (b) **Results of assessments:** The Chair and Deputy Chair(s) or as delegated by the Board, will meet with each Director on a bi-annual basis to discuss:
 - (i) the results of their individual performance assessment, which will be provided to the Company Secretary to be kept as part of the director’s HR file;
 - (ii) any identified training needs with training opportunities to be sourced by the Company Secretary;
 - (iii) any identified mentoring opportunities and how they may be provided; and
 - (iv) any identified underperformance and how the underperformance can be addressed to the reasonable satisfaction of the assessor. The underperformance will be communicated to the nominating shareholder of the director at least 10 business days’ before the meeting with the director.
- (c) **Failure to meet Performance Criteria:** If a Director is assessed as failing to meet one or more of the Performance Criteria that cannot be addressed to the reasonable satisfaction of the assessor(s) as outlined in the candidate due diligence assessment, paragraph (j), then the following process must be followed:
 - (i) *response:*
the director is to be provided with 5 business days within which to provide a response, or additional information, in relation to the adverse finding;
 - (ii) *consideration of response:*
the assessor(s) will then consider the provided response and additional information and determine whether or not such information has bearing on the adverse finding of the assessment process. Where the result of the assessment:
 - A. remains unchanged, proceed to paragraph (d) below; or
 - B. may be affected, then the assessor(s) will revisit the assessment in light of the additional information provided by the director;
- (d) **Escalation process:** if the result of the assessment remains adverse having regard to the response provided by the director, then the results of the assessment are to be provided to the Board (other than the director who was assessed) and the relevant Shareholder for consideration;
- (e) **Board determination:** if the Board upholds the adverse assessment, the director is to be removed from office effective by a resolution of the Board.

18. Annexure F – Director Training

(a) Induction Training

In general, induction training should be conducted shortly following a Director's appointment and ideally within 3 months of appointment. Induction should ideally be complete within 12 months of appointment. Continuing professional development requirements for Directors are to be met ideally annually on a financial year basis.

(b) Required Qualifications

- (a) It is expected that new directors will undergo appropriate training and education to reach the minimum standards of knowledge and competence relevant to their roles where they do not already possess these skills at the time of appointment.
- (b) It is expected that Directors will complete the AIST Trustee Director Course – Build Your Expertise (including the assessment) and the Australian Institute of Company Directors (AICD) Company Directors Course within two years of appointment if they have not already taken the courses.
- (c) Within three years of appointment to the Board, Directors should complete the AIST Trustee Directors Course – Enhance Your Excellence or AICD Mastering the Boardroom and RGI46 or RGI46 Foundations (including the assessments). It is highly recommended but not required that Directors undertake

(c) Continuing Professional Development

- (a) Upon completion of their induction program, Directors are required to continue to develop and deepen their skills and knowledge. It is essential to keep abreast of changes impacting LGS which may include government/ regulatory policy changes, the impact of technology, changing operational models, investments and new products as well as changing member/employer or community expectations. This includes attending one major superannuation industry conference every year.
- (b) To encourage Directors to continue to develop and to stay abreast of change, all Directors are required to complete a minimum of 30 hours of professional development per year. LGS assists Directors in providing for and tailoring specific training for their needs.

(d) Additional Training Requirements – Committees

- (a) Committee members are to undertake training to reach the minimum standards of knowledge and competence such that they can discharge the Committee responsibilities as specified in the Board Committee Terms of Reference. Director appropriate training will be identified during the annual Director assessment.
- (b) Under the Skills Matrix, Directors are rated on a Proficient, Practiced and Basic level and the GRN Committee will review the Skills Matrix on an annual basis to monitor and advise the Board of the skill levels required for each individual committee. The Chair of each Committee is required to have a Proficient rating or undertake training to achieve that level. The Chair is also expected to have strong leadership, facilitator and interpersonal skills to enable the Committee to be effectively chaired.

- (c) All members of the Investment Committee are required to have a minimum of a Practiced rating in investment; likewise, all members the Risk Committee are required to have a minimum of a Practiced rating in Risk and all members the Audit and Compliance Committee are required to have a minimum of a Practiced rating in Finance and Legal. If they do not have these ratings, then they are expected undertake training to achieve that level.
- (d) Directors of the Investment Committee are required to take AIST's Investment for the Superannuation Industry to improve their skills if they do not meet the Practiced rating.

19. Annexure G – Skills Matrix



Local Government Super

Board Skills Matrix

Priority Legend

Rating	Score	Description
Essential or Proficient	3	Essential requirement for stated number of Board Members (i.e. Chair, Committee members) - equates to "proficient".
Desirable or Practiced	2	Ideal capability if present upon appointment - equates to "practiced". Requirement to up-skill through training and development within 2 years if capability lacking upon commencement.
Useful or Desirable	1	Experience or capability, that if present will add enhanced value to overall quality of the Board, however not essential - equates to "basic". Default position of Board members not specified as "Essential" or "Desirable".

Fit & Proper Policy

Director Skills and Experience (Competency) Requirements	Chair	Independent Directors	Non-Independent Directors	Min. no. of Directors rated essential	LGS Skills matrix No.
<p>The LGS Board is responsible for ensuring that they possess the skills, knowledge and experience necessary to effectively steer the organisation forward, with each Board member contributing a different set of skills. In an evaluation of the appropriate mix of skill sets, consideration will be given to the constitution with respect to having Local Government and Union representatives on the Board, gender, and other factors reflective of the LGS member base. The experience and competencies required by the Board should also link to the long-term strategic objectives of the organisation, and ensure compliance with base level governance standards and compliance with SPS 520 (Fit & Proper), with consideration given to the appropriate number of Board members that are required to have, and meet, the required skills and capabilities detailed in the below skills matrix.</p>					

Experience as a Director						
Director - Superannuation	Has Superannuation Board or senior executive experience - a demonstrable record of accomplishment in present and prior positions.	2	3	1	2 Independent Directors	
Director - large entity or Financial Services entity	Has experience on a Financial Services Board, or significant regulated corporate Board (ASX 200, or large unlisted entity), or senior executive experience, with a demonstrable record of accomplishment in present and prior positions.	3	3	1	Chairperson and 2 Independent Directors	
Director - other	Has Board experience with a demonstrable record of accomplishment in present and prior positions.	3	3	3	All Directors	
Knowledge of relevant laws	Has knowledge of trust (fiduciary) law, Privacy Act and the Corporations Act, and an awareness of the areas where additional technical, professional or expert advice can be sought.	3	3	3	All Directors	
Industry Knowledge / experience						
Superannuation industry experience	Has experience in 'superannuation' business functions and familiarity with the evolution and future of those functions (investment, member services, products, marketing, technology).	2	3	2	2 Independent Directors	
Superannuation Fund operations	Knowledge in operational management of superannuation funds, marketing/brand management including product differentiation, breach assessment, management and reporting, information technology and social media management or oversight, complaints management and reporting, understanding of insurance, custodian management.	2	3	3	At least 1 Independent Director and 1 Non-Independent Director	16 - 22
Superannuation aligned industry knowledge	Has experience in or expertise in a non-superannuation, financial services organisation (e.g. capital and debt markets, insurance, banking, broking, wealth management), with an understanding of operations and the competitive/market environment.	3	3	1	Chairperson and 2 Independent Directors	
APRA Prudential Standards SIS Act and Regulations	Has knowledge of SIS Act and Regulations and APRA's Prudential Standards; this includes understanding of and ability to effectively implement trustee duties outlined in the SIS legislation (especially s.52 covenants) and their application.	3	3	2	Chairperson and 2 Independent Directors	
Commercial Acumen						
M&A / inorganic growth	Has had involvement in M&A activity (e.g. acquisitions, merger, roll-up, consolidation) or M&A strategy development and understands M&A due diligence.	3	3	3	Chairperson, at least 1 Independent Director and 1 Non-Independent Director	28
Market Analysis	Has a strong understanding of or background in market economic analysis, with the ability to understand the macro-economic environment and financial markets.	2	3	3	At least 1 Independent Director and 1 Non-Independent Director	11

Negotiation and contracts	Is able to demonstrate strong negotiation and contracting skills.	3	2	2	Chairperson	32
Third party governance	Has experience in outsourcing and procurement, with a strong understanding of third party governance.	2	3	3	At least 1 Independent Director and 1 Non-Independent Director	29
Financial Knowledge						
Accounting and Finance Experience	Has finance related professional qualifications and experience (e.g. qualified accountant (CA/CPA), External Audit firm experience, CFO experience) ideally working in or for a Financial Services entity.	1	2	1	<i>Desirable, but not essential</i>	
Financial and business reporting and analysis	Has experience with the preparation, review or analysis of accounts and financial statements comparable to the size and complexity of the financial statements of a Superannuation fund. Has sufficient understanding to probe and evaluate the financial results of a comparable organisation.	3	3	3	Chairperson, 2 Independent Directors and at least 1 Non-Independent Director, (with all Audit & Compliance Committee members to meet a minimum rating of "practiced")	23
Financial Management	Has had experience and/or accountability for financial performance and financial management including P&L ownership and operational planning and budgeting.	3	3	2	Chairperson, and 2 Independent Directors, (with all Audit & Compliance Committee members to meet a minimum rating of "practiced")	
Audit Internal Controls	Has experience and a strong understanding of the purpose and function of internal and external audit processes, including internal controls.	3	3	3	Chairperson, 2 Independent Directors and at least 1 Non-Independent Director, (with all Audit & Compliance Committee members to meet a minimum rating of "practiced")	24
Taxation	Has knowledge of taxation including dividend imputation, capital gains and concessional tax for superannuation.	2	3	3	At least 1 Independent Director and 1 Non-Independent Director, (with all Audit & Compliance Committee	26

					members to meet a minimum rating of "practiced")	
Accounting and Auditing Operational processes	Has broad knowledge of the accounting, auditing, and operational processes relating to the Trustee and Fund.	3	3	3	All Directors	
People & Culture						
CEO or ELT experience Leadership People Management	Has led as either a CEO or senior member of a management team in a similar or larger sized organisation.	3	3	2	Chairperson and 2 Independent Directors	30
Human Resource Management Compliance	Has an understanding of OH&S, industrial relations and employment law, and the legal framework in the context of human resources.	3	3	3	All Directors	37
Change management Cultural change Organisational design	Has experience in oversight of change management and implementation of organisational design and change, and development of culture monitoring metrics and processes.	3	2	2	Chairperson	39
Capability building Succession Planning	Has experience developing Board and Executive capability, including succession planning within an organisation.	3	2	2	Chairperson	37, 40
Diversity	Has a track record for fostering diversity and inclusion within a comparable organisation and/or understands the role of diversity in organisational culture.	3	3	3	All Directors	39
Executive Performance Management	Has had previous experience in undertaking CEO and Executive performance management reviews including involvement in remuneration and KPI setting.	3	2	2	Chairperson	37, 38
Business Oversight & Strategy						
Strategy development and implementation	Has experience in strategy development and implementation (i.e. business planning, major directional business strategy changes, resource management and budgeting, performance monitoring and evaluation, policy development), and is able to challenge management on the delivery of agreed strategic planning objectives.	3	3	2	Chairperson and 2 Independent Directors	31
Market and product differentiation	Has had involvement or an understanding of market and product differentiation strategies in the Financial Services sector.	2	3	1	2 Independent Directors	17

Risk Management						
Strategic, market, financial, reputational and operational risk management	Has expertise or several years experience in developing or managing/overseeing a risk management framework; and / or has managed or had oversight of areas of material risk in the context of an APRA regulated Superannuation Fund (particularly investment risk, liquidity risk, market risk, financial risk, reputational risk and operational risk).	3	3	3	Chairperson, 2 Independent Directors, and 1 Non-Independent Director (with all Risk Committee members to meet a minimum rating of "practiced")	4, 5
Compliance and process Operational and Regulatory risk	Broad understanding and knowledge of the internal and external monitoring processes, people and systems required for a Superannuation fund to ensure compliance with internal policies, regulatory requirements and best practice standards. Has a strong understanding of operational and regulatory risk, including the internal and external audit process and function, the role of the risk and compliance functions and committees, and APRA's supervisory process.	3	3	3	Chairperson, 2 Independent Directors, and 1 Non-Independent Director (with all Risk Committee members to meet a minimum rating of "practiced")	2
Risk management strategies Internal and external audit environment Regulatory risk Internal controls	Has expertise or experience in monitoring and oversight of risk management processes, with an understanding of the internal and external audit environment, regulatory risk and internal controls and is able to identify key risks to the organisation and assess whether mitigation strategies to address material risk or non-compliance are sufficient and appropriate. Is able to critically assess information and contribute to Board discussion on complex issues and control and compliance weaknesses, understands when to challenge management for additional information or further action or investigation, and identify when a professional, independent opinion is required.	3	3	3	Chairperson, 2 Independent Directors, and 1 Non-Independent Director (with all Risk Committee members to meet a minimum rating of "practiced")	1, 24
Tax risk management	Has an understanding of tax risk management including ability to review appropriate tax control framework and tax risk appetite.	2	3	2	2 Independent Directors, (with all Risk Committee members to meet a minimum rating of "practiced")	7
Reserves Management	Has an understanding of reserves management.	2	3	2	2 Independent Directors, (with all Risk Committee members to meet a minimum rating of "practiced")	3
Stakeholder management Conflict Management	Experience and understanding of stakeholder management (including conflict management), in the context of Superannuation Prudential Standards and the Corporations Act.	3	3	2	Chairperson and at least 1 Independent Director	

Legal						
Legal background/understanding Regulatory risk Legal process	Has relevant legal skills and experience particularly in areas such as corporations law / contract law or experience or knowledge of legal and regulatory frameworks relevant to the superannuation sector, anti-money laundering and counter terrorism finance regulations, trustee obligations under an Australian Financial Services Licence.	2	3	3	At least 1 Independent Director and 1 Non-Independent Director, (with all Audit & Compliance Committee members to meet a minimum rating of "practiced")	34 - 36
Corporate Governance						
Chair leadership Committee experience Corporate governance and Board operations	Demonstrable expertise in corporate governance with a minimum of three years experience contributing to a Board as Chair of the Board, Chair of the Governance Committee, or in other Board positions. Has a detailed understanding of directors duties and responsibilities, and may have undertaken the AICD Company Directors Course, or other governance qualifications.	3	2	2	Chairperson	
RSE Licensee duties and responsibilities Investment Governance Prudential Standards	Strong understanding of the duties and responsibilities of an RSE Licensee to make informed decisions in the best interest of beneficiaries, ideally also including investment governance.	3	3	2	Chairperson and 2 Independent Directors	
Member / Community Representation						
Local government knowledge	Has broad understanding of Local Government - its sectors, workforce issues and policy agenda.	1	1	3	All Non-Independent Directors	
Local government or Industrial Union experience	Has recent / current experience in the Local Government sector (preferably at a senior decision making level), or Industrial Unions, relevant to acting as a Director of a Superannuation Fund.	1	1	3	All Non-Independent Directors	
Technology						
Technology knowledge/experience	Experience with or understanding of Information and Communications Technology (ICT) systems and solutions relevant to a Superannuation environment, and their interaction and impact to business outcomes (applications/platforms, systems networks, protocols, communication/social networks, digital channels, cloud computing, Information/Cyber Security).	1	2	3	At least 1 Director	
Cyber security & privacy	Broad understanding of data and analytics, cyber security and privacy laws adherence through technology.	1	2	3	At least 1 Director	
CIO experience Project management and governance	Experience leading or supporting digital transformation projects either in a CIO capacity or as a Project Manager with a strong understanding of IT project governance.	1	1	3	At least 1 Director	

BCM / Crisis Management	Experience and/or understanding of Business Continuity Management and crisis management.	3	3	3	Chairperson, at least 1 Independent Director and 1 Non-Independent Director	6
Marketing and Business Development						
General marketing/communication experience	Has a background or experience in marketing and communications, with understanding of relationship marketing / customer value process, promotional campaigns, media management, social media and communication planning.	2	2	3	At least 1 Director	33
Market and product differentiation	Has experience / understanding of market segmentation and market differentiation strategies, brand positioning and product differentiation.	2	3	2	At least 1 Independent Director	
Business development Relationship management	Has experience in identifying business opportunities and building long term strategic relationships in order to grow the business.	2	2	2	<i>Desirable, but not essential</i>	
Investment						
Basic Investment Knowledge	Has basic investment knowledge sufficient to understand high level investment strategies/principles and question appropriately.	3	3	3	All Directors	
Asset allocation and fund management strategies	Has experience of successfully working in a financial services organisation in the investments function including asset allocation and performance evaluation, portfolio construction, investment strategies, investment risk management, stress testing and liquidity management.	2	3	3	2 Independent Directors and at least 1 Non-Independent Director, (with all Investment Committee members to meet a minimum rating of "practiced")	9, 10
Investment risk and return	Has experience working with investment strategies, consequences, risk profiles and outcomes of investment strategies. Is able to identify short and long term investment risks and opportunities, and undertake investment manager selection and monitoring. Understands the risks associated with investment in asset classes.	2	3	3		11, 12, 13
Prudent capital and liquidity management	Has deep understanding of the liquidity of investments when looking at investment strategy including the cash flow requirements of the Super fund.	2	3	3		8
Actuarial and unit pricing	Has knowledge of unit pricing, is able to understand and challenge the rationale and situations behind stress testing scenarios, methodologies and outcomes, and provide actuarial oversight.	2	3	3		25, 27
Derivative instruments	Has knowledge of the risk management of derivative and hedging instruments.	2	3	3		14
Responsible/Sustainable investment	Has an understanding and appreciation of Responsible Investments (Environmental, Social & Governance) and can identify and undertake ESG risk and opportunity assessment.	2	3	3		15

Personal Qualities						
Instinct and Judgement	<i>Instinct and Judgement</i> Has good business instincts and commercial acumen and is able to make considered decisions and come to sensible conclusions by remaining objective in analysing facts and information. Is able to put things in perspective and make an independent assessment based on evidence, without being influenced by emotions or personal prejudices.	3	3	3	All Directors	
Commitment and Sense of Responsibility	<i>Commitment and Sense of Responsibility:</i> Displays a genuine interest and commitment to the organisation, corporate social responsibility and member engagement. Honours their commitments, is honest and makes a positive contribution to the Board.	3	3	3	All Directors	
Curiosity and Courage	<i>Curiosity and Courage</i> Has the curiosity to ask questions and seek further knowledge, and the courage to contribute opinions and challenge Management and fellow Board members when necessary, in a respectful and considerate manner.	3	3	3	All Directors	
Emotional Intelligence	<i>Emotional Intelligence</i> Is emotionally mature, self aware and is able to manage interpersonal relationships judiciously and empathetically.	3	3	3	All Directors	
Interpersonal Skills	<i>Interpersonal skills</i> Is able to work harmoniously in a group by recognising the impact of their behaviour on others. Focuses on the collective goals, priorities and issues through active listening and tactful communication by encouraging positive behaviour that is outcome driven, by the group. Establishes trusting relationships and understands the importance of diversity on the Board.	3	3	3	All Directors	
Integrity and Sense of Ethics	<i>Integrity and Sense of Ethics</i> Behaves ethically and fulfils their duties and responsibilities. Leads by example and demonstrates integrity and strong values aligned to the values of LGS. Places the organisation's interests before their own personal interests.	3	3	3	All Directors	
Strategic Thinking	<i>Strategic Thinking:</i> Able to think strategically by identifying and critically assessing opportunities and threats associated with key decisions, by anticipating trends and analysing situations holistically to develop effective and clear plans in line with strategic objectives. Has a clear vision, is adaptable and able to anticipate long term impacts and gains.	3	2	2	Chairperson	

Communication	<i>Communication:</i> Able to share their views with clarity, and articulate the key issues to provide critical insight. The ability to listen to others and challenge them constructively. The ability to understand and appropriately challenge advice received by technical experts.	3	3	3	All Directors	
Professional Qualifications						
AIST Trustee Director Course	Completion of the AIST Trustee Director Course - Build Your Expertise (including the assessment) within 2 year(s) of appointment.	2	2	2	All Directors	
AIST Trustee Director Course	Completion of the AIST Trustee Director Course - Enhance Your Excellence and RG146 (including the assessment) within 2 year(s) of appointment.	2	2	2	All Directors	
AICD Company Directors Course	Completion of the Company Directors Course through the Australian Institute of Company Directors.	2	2	2	All Directors	
FNS507 Diploma of Superannuation	Completion of FNS507 Diploma of Superannuation consisting of RG146, Insurance for the Superannuation Industry and Investment for the Superannuation Industry.	1	1	1	<i>Useful, but not required</i>	
Relevant Masters Degree	Completion of a relevant Post-Graduate degree that will provide additional knowledge or skills to assist with aspects of the Board member's role. This may include a Master of Business Administration, Master of Information Technology, Master of Accounting etc.	2	3	2	2 Independent Directors	
Relevant Tertiary Qualification	Completion of a relevant undergraduate degree that will provide additional knowledge or skills to assist with aspects of the Board member's role. This may include a Bachelor of Business, Bachelor of Finance, etc.	2	2	2	<i>Desirable, but not essential</i>	
Other						
Fit & Proper Person	Complies with all aspects of the LGS Fit & Proper Policy.	3	3	3	All Directors	
Independent	Meets the definition of an independent director in compliance with Section 10 of SIS Act and ASX Corporate Governance Guidance.	3	3	1	Chairperson and 2 Independent Directors	
Australian Resident	Is ordinarily a resident of Australia.	3	3	3	All Directors	

20. Annexure H – Director Performance and Capability Assessment Guidelines

Name of Director:	
Date of Appointment to LGS:	
Date of Interview:	
Assessment Period:	
Venue:	
Assessment Undertaken By:	

General Discussion/Introduction	Performance Results
<p>As a Responsible Person, are you aware that the Board has to ensure that, in accordance with the Fit and Proper Policy, you meet the core competencies set out in the Directors Agreement?</p> <p><i>(Rate the Director against the requirements set out in the Director agreement)</i></p>	
<p>Board Meeting Attendance 75% Achievement</p> <p><i>(Being prepared for, attending and contributing to all scheduled Board meetings)</i></p>	

<p>Committee Meeting Attendance <i>(Being prepared for, attending and contributing to all scheduled Committee meetings)</i></p>	
<p>Training <i>(Meeting all ongoing training requirements in accordance with the Fit and Proper Policy)</i></p>	
<p>Board Assessment <i>(meeting the standards required through the annual Board Assessment)</i></p>	
<p>Fit and Proper <i>(Being, and remaining, Fit and Proper, as defined under the LGS Fit and Proper Policy and the law, at all times)</i></p>	
<p>Personal Attributes <i>(General demeanour observations, ability to put forward meaningful concise questioning without aggravation, honesty)</i></p>	
<p>Does LGS have a Whistleblowing Policy and who are the points of contact? <i>Essential knowledge requirement APRA prudential standard)</i></p>	

Director Training/Requirements/Skills Matrix

Questions	Response
<p>How are you tracking with attaining the required training courses required under the Fit and Proper Policy?</p> <p><i>(Have a copy of the Fit and Proper requirements for discussion)</i></p>	
<p>How are you tracking with the required CPD requirements as detailed in the Fit and Proper Policy pertaining to the Board and the Committees you are on?</p> <p><i>(Have a copy of the Fit and Proper requirements for discussion)</i></p>	
<p>Is there anything outside the required CPD, Courses and skills matrix that you would like to do to improve your individual director skill set?</p> <p><i>(Individual skill set training)</i></p>	
<p>Are you aware of the current skill matrix adopted by the Board and your current assessment?</p> <p><i>(Obtain and present current copy of Board Skill Matrix with the Directors last assessed skill matrix)</i></p>	
<p>Where do you feel you could benefit from more training taking into account the current skills matrix and your individual assessment?</p> <p><i>(Discuss individual director skill gaps as identified by the most recent skills matrix to support an ongoing training regime)</i></p>	
<p>Where do you feel you could justify an upgrade to your current individual skill matrix assessment?</p>	

(Ability to illicit Director skills not attained through skill matrix assessment)	
<p>If you feel you have justification to alter your current individual skill matrix, please provide documentary evidence to support this.</p> <p><i>(Must be of high standard with the view of altering the current assessors view taken in the most recent skill matrix for that individual)</i></p>	
<p>Where do you feel you would benefit from more training or education not associated with the Board skill matrix?</p> <p><i>(Board Skill set improvement)</i></p>	
<p>Can you provide the Board with an indication of where the Board as a whole could benefit from presentations?</p> <p><i>(Board Skill set improvement)</i></p>	

Director Performance	
Questions	Responses
<p>How are you tracking in relation to the required time and other commitments as required by the Trustee?</p> <p><i>(General Discussion)</i></p>	
<p>What was your most significant contribution to the Board meetings this year?</p>	

<i>(Performance Discussion)</i>	
What do you see as your main role on the Board? <i>(Performance and Governance Discussion)</i>	
What expertise do you feel you personally bring to the Board? <i>(Performance and Skill Discussion)</i>	
Do you have any broad knowledge of APRA Prudential Standards and Guidelines and how they are integrated into the organisation? <i>(Governance Discussion touching on ETS)</i>	
What do you believe you could do to be more effective as a Board member? <i>(General Performance Discussion)</i>	
Tell me about a time when you have had a positive influence on the attitude and behaviour of others on the Board. <i>(Individual Performance Discussion)</i>	
Tell me about an achievement or difference you have made while on the Board. <i>(Individual Performance Discussion)</i>	
Do you have any doubts about being a Board member? <i>(Governance Discussion)</i>	

<p>Have you attended all Board meetings for the full agenda? (Individual Performance Discussion)</p>	
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Board Performance	
Questions	Responses
<p>It was an outcome from the recent external assessment process that the Board should be spending more time on Strategy and how it links to the Trustee's Risk Appetite. What suggestions do you have on how we can best achieve this? (Board Governance, Strategy and Risk)</p>	
<p>What advice would you give to the Chair to improve his/her performance in terms of Board Governance and general meeting practice? (Chair Performance and Governance)</p>	
<p>Is the Board agenda format adequate? Would you like to see any changes? (Board Governance)</p>	
<p>Have you felt that there is enough time to read all the Board papers? (Board Governance)</p>	

<p>What advice from the management team would assist the Board? <i>(Board Executive Governance)</i></p>	
<p>In your opinion what would improve the performance of the Board? <i>(Board Governance)</i></p>	
<p>Has the Regulatory changes by APRA effected the Board's Performance in the last twelve (12) months? How can the Board improve? <i>(Board Governance)</i></p>	

Anything else you would like to discuss concerning Director Performance or Board Performance?
(General Discussion)

At the conclusion of the Director Performance and Capability review assessment advise the Director of any initial response pertaining to the process and any follow up action in terms of meeting the requirements together with any training needs identified.

This document will be treated confidentially and will be filed in the Company Secretary records as stated in the Fit and Proper Policy.

Signed

Chair

.....

Deputy Chair/s

.....

Director

21. Annexure I – Chair Performance Evaluation Questionnaire

Text

Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
1. The Chair is an effective leader of the board, and the fund ably demonstrating the skills and experience necessary for the role.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?				
2. The Chair has a good working relationship and is effective as a mentor to the Chief Executive Officer (CEO).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?				
3. The Chair is effective in instilling the LGS values, vision and culture across the organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?				
4. The Chair is able to facilitate co-operation and trust between the Board and the LGS executive team.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?				
5. The Chair demonstrates ability to communicate the views of the Board on matters of strategy and policy to the LGS executive team and to external stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?				
6. The Chair demonstrates the ability to encourage, counsel and support Board members to participate actively and constructively in the discharge of their duties and in Board decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How might performance be improved?					
7.	The Chair manages Board meetings efficiently and effectively so there is effective use of time and material issues are addressed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?					
8.	The Chair ensures that LGS retains its focus on major strategic matters and that appropriate strategic issues are brought to the Board with adequate time for discussion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?					
9.	The Chair ensures that LGS monitors performance against the approved strategic objectives, budget and indicators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?					
10.	The Chair ensures that the Director Code of Conduct was observed in all of the LGS business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?					
11.	The Chair ensures that LGS optimises its performance by conducting the annual director performance assessment in accordance with the LGS DNAAR policy including the identification of individual training and development needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?					
12.	The Chair leads the process for the recruitment of new directors and ensures succession plans are in place and acted upon including appropriate induction procedures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How might performance be improved?					